
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 10, 2022

WILHELMINA INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-36589
(Commission File Number)

74-2781950
(I.R.S. Employer Identification No.)

5420 Lyndon B Johnson Freeway, Box #25
Dallas, Texas 75240
(Address of Principal Executive Offices) (Zip Code)

(214) 661-7488
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------|-------------------|---|
| Common Stock, \$0.01 par value | WHLM | Nasdaq Capital Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 10, 2022, Wilhelmina International, Inc. issued a press release announcing its financial results for the second quarter ended June 30, 2022. A copy of this press release is included as Exhibit 99.1 to this report.

Pursuant to General Instruction B.2 of Form 8-K, the information in this Item 2.02 of Form 8-K, including Exhibit 99.1 attached hereto, is being furnished pursuant to Item 2.02 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise be subject to the liabilities of that section, nor is it incorporated by reference into any filing of Wilhelmina International, Inc. under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|----------------------|---|
| 99.1 | Press Release dated August 10, 2022 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WILHELMINA INTERNATIONAL, INC.

Date: August 10, 2022

By: /s/ James A. McCarthy
James A. McCarthy
Chief Financial Officer

Wilhelmina International, Inc. Reports Results for Second Quarter 2022

Second Quarter Financial Results

| (in thousands) | Q2 22 | Q2 21 | YOY Change | Q2 22 YTD | Q2 21 YTD | YOY Change |
|--|-----------|-----------|---------------|--------------|--------------|---------------|
| Total Revenues | \$ 17,604 | \$ 14,510 | 21.3% | \$ 34,249 | \$ 26,486 | 29.3% |
| Operating Income | 1,040 | 891 | 16.7% | 1,914 | 991 | 93.1% |
| Income Before Provision for Taxes | 1,148 | 1,423 | (19.3%) | 2,013 | 3,717 | (45.8%) |
| Net Income | 921 | 1,121 | (17.8%) | 1,660 | 3,342 | (50.3%) |
| EBITDA* | 1,197 | 1,679 | (28.7%) | 2,124 | 4,268 | (50.2%) |
| Adjusted EBITDA* | 1,142 | 1,135 | 0.6% | 2,130 | 1,504 | 41.6% |
| Pre-Corporate EBITDA* | 1,364 | 1,333 | 2.3% | 2,606 | 1,947 | 33.8% |

*Non-GAAP measures referenced are detailed in the disclosures at the end of this release.

DALLAS, Aug. 10, 2022 (GLOBE NEWSWIRE) -- Wilhelmina International, Inc. (Nasdaq:WHLM) ("Wilhelmina" or the "Company") today reported revenues of \$17.6 million and net income of \$0.9 million for the three months ended June 30, 2022, compared to revenues of \$14.5 million and net income of \$1.1 million for the three months ended June 30, 2021. For the six months ended June 30, 2022, Wilhelmina reported revenues of \$34.2 million and net income of \$1.7 million compared to revenue of \$26.5 million and net income of \$3.3 million for the six months ended June 30, 2021. Increased revenues in 2022 were primarily due to increased bookings as the cities where Wilhelmina operates reopened and business activity increased as COVID-19 restrictions were moderated or rescinded. Prior year income was significantly impacted by \$0.1 million and \$2.0 million of gain on forgiveness of PPP loans and \$0.4 million and \$0.9 million of employee retention payroll tax credits during the three and six months ended June 30, 2021.

Financial Results

Net income for the three months ended June 30, 2022 was \$0.9 million, or \$0.18 per fully diluted share, compared to net income of \$1.1 million, or \$0.22 per fully diluted share, for the three months ended June 30, 2021. Net income for the six months ended June 30, 2022 was \$1.7 million, or \$0.32 per fully diluted share, compared to \$3.3 million, or \$0.65 per fully diluted share, for the six months ended June 30, 2021.

Pre-Corporate EBITDA was \$1.4 million and \$2.6 million for the three and six months ended June 30, 2022, compared to Pre-Corporate EBITDA of \$1.3 million and \$1.9 million for the three and six months ended June 30, 2021.

The following table reconciles reported net income under generally accepted accounting principles to EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA for the three and six months ended June 30, 2022 and 2021.

| (in thousands) | Three months ended June 30, | | Six months ended June 30, | |
|-------------------------------|--------------------------------|-------|------------------------------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| Net income | 921 | 1,121 | 1,660 | 3,342 |
| Interest expense | 2 | 13 | 5 | 42 |
| Income tax expense | 227 | 302 | 353 | 375 |
| Amortization and depreciation | 47 | 243 | 106 | 509 |
| EBITDA** | 1,197 | 1,679 | 2,124 | 4,268 |
| Foreign exchange (gain) loss | (110) | 20 | (104) | 88 |
| Non-recurring items* | - | (565) | - | (2,856) |

| | | | | |
|---|-------|-------|-------|-------|
| Share-based payment expense | 55 | 1 | 110 | 4 |
| Adjusted EBITDA** | 1,142 | 1,135 | 2,130 | 1,504 |
| Corporate overhead | 222 | 198 | 476 | 443 |
| Pre-Corporate EBITDA** | 1,364 | 1,333 | 2,606 | 1,947 |
| *Non-recurring items include gain on forgiveness of loans and employee retention credit during the three and six months ended June 30, 2021 | | | | |
| **Non-GAAP measures referenced are detailed in the disclosures at the end of this release. | | | | |

Changes in net income, EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA for the three and six months ended June 30, 2022, when compared to the three and six months ended June 30, 2021, were primarily the result of the following:

- 1 Revenues net of model costs for the three and six months ended June 30, 2022 increased by 14.7% and 24.4% primarily due to increased bookings as the cities where Wilhelmina operates reopened and business activity increased as COVID-19 restrictions were moderated or rescinded;
- 1 Salaries and service costs for the three and six months ended June 30, 2022 increased by 31.1% and 36.2% primarily due to temporary reductions in staff salaries in the prior year, which returned to full salary in July 2021;
- 1 Office and general expenses for the three and six months ended June 30, 2022 decreased by 2.3% and 10.4%, primarily due to reduced rent expense, other office related expenses, utilities, and computer expenses; and
- 1 Amortization and depreciation expense for the three and six months ended June 30, 2022 decreased by 80.7% and 79.2%, primarily due to reduced depreciation of assets that became fully amortized in 2021;
- 1 Non-recurring items included \$0.1 million and \$2.0 million of gain on forgiveness of PPP loans and \$0.4 million and \$0.9 million of employee retention credit in the three and six months ended June 30, 2021; and
- 1 Corporate overhead expenses for the three and six months ended June 30, 2022 increased by 12.1% and 7.4%, primarily due to temporary reduction in fees paid to corporate employees and the Company's directors in the prior year that returned to full fee in July 2021.

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

| | (Unaudited) | |
|--|------------------|-------------------------|
| | June 30, 2022 | December 31, 2021 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 9,311 | \$ 10,251 |
| Accounts receivable, net of allowance for doubtful accounts of \$1,527 and \$1,580, respectively | 11,118 | 8,858 |
| Prepaid expenses and other current assets | 199 | 91 |
| Total current assets | <u>20,628</u> | <u>19,200</u> |
| Property and equipment, net of accumulated depreciation of \$4,168 and \$4,094, respectively | 112 | 168 |
| Right of use assets-operating | 1,507 | 1,745 |
| Right of use assets-finance | 168 | 199 |
| Trademarks and trade names with indefinite lives | 8,467 | 8,467 |
| Goodwill | 7,547 | 7,547 |
| Other assets | 322 | 98 |
| TOTAL ASSETS | <u>\$ 38,751</u> | <u>\$ 37,424</u> |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | | |
|---|-----------|----------------------|-------------------------|
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | \$ | 3,745 | \$ 3,707 |
| Due to models | | 8,657 | 8,090 |
| Deferred revenue | | - | 535 |
| Lease liabilities – operating, current | | 450 | 463 |
| Lease liabilities – finance, current | | 61 | 64 |
| Total current liabilities | | <u>12,913</u> | <u>12,859</u> |
| Long term liabilities: | | | |
| Deferred income tax, net | | 2,317 | 2,048 |
| Lease liabilities – operating, non-current | | 1,134 | 1,361 |
| Lease liabilities – finance, non-current | | 116 | 143 |
| Total long term liabilities | | <u>3,567</u> | <u>3,552</u> |
| Total liabilities | | <u>16,480</u> | <u>16,411</u> |
| Shareholders' equity: | | | |
| Common stock, \$0.01 par value, 9,000,000 shares authorized; 6,472,038 shares issued at June 30, 2022 and December 31, 2021 | | 65 | 65 |
| Treasury stock, 1,314,694 shares at June 30, 2022 and December 31, 2021, at cost | | (6,371) | (6,371) |
| Additional paid-in capital | | 88,690 | 88,580 |
| Accumulated deficit | | (59,578) | (61,238) |
| Accumulated other comprehensive loss | | (535) | (23) |
| Total shareholders' equity | | <u>22,271</u> | <u>21,013</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ | <u>38,751</u> | \$ <u>37,424</u> |

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
For the Three and Six Months Ended June 30, 2022 and 2021
(In thousands, except for share and per share data)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|-------------------------------|---------------------------|---------------|-------------------------|---------------|
| | June 30, | | June 30, | |
| | 2022 | 2021 | 2022 | 2021 |
| Revenues: | | | | |
| Service revenues | \$ 17,596 | \$ 14,502 | \$ 34,234 | \$ 26,468 |
| License fees | 8 | 8 | 15 | 18 |
| Total revenues | <u>17,604</u> | <u>14,510</u> | <u>34,249</u> | <u>26,486</u> |
| Model costs | <u>12,905</u> | <u>10,412</u> | <u>25,002</u> | <u>19,051</u> |
| Revenues, net of model costs | <u>4,699</u> | <u>4,098</u> | <u>9,247</u> | <u>7,435</u> |
| Operating expenses: | | | | |
| Salaries and service costs | 2,697 | 2,057 | 5,349 | 3,928 |
| Office and general expenses | 693 | 709 | 1,402 | 1,564 |
| Amortization and depreciation | 47 | 243 | 106 | 509 |
| Corporate overhead | <u>222</u> | <u>198</u> | <u>476</u> | <u>443</u> |

| | | | | | | | | |
|---------------------------------|-------|-------|---------|-----------|-----------|-------------|-------|-----------|
| shareholders | - | - | - | - | - | 1,121 | - | 1,121 |
| Short swing profit disgorgement | - | - | - | - | 32 | - | - | 32 |
| Foreign currency translation | - | - | - | - | - | - | 16 | 16 |
| Balances at June 30, 2021 | 6,472 | \$ 65 | (1,315) | \$(6,371) | \$ 88,523 | \$ (62,414) | \$ 78 | \$ 19,881 |

| | Common Shares | Stock Amount | Treasury Shares | Stock Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total |
|-----------------------------------|---------------|--------------|-----------------|--------------|----------------------------|---------------------|--------------------------------------|-----------|
| Balances at December 31, 2021 | 6,472 | \$ 65 | (1,315) | \$(6,371) | \$ 88,580 | \$(61,238) | \$ (23) | \$ 21,013 |
| Share based payment expense | - | - | - | - | 55 | - | - | 55 |
| Net income to common shareholders | - | - | - | - | - | 739 | - | 739 |
| Foreign currency translation | - | - | - | - | - | - | (174) | (174) |
| Balances at March 31, 2022 | 6,472 | \$ 65 | (1,315) | \$(6,371) | \$ 88,635 | \$(60,499) | \$ (197) | \$ 21,633 |
| Share based payment expense | - | - | - | - | 55 | - | - | 55 |
| Net income to common shareholders | - | - | - | - | - | 921 | - | 921 |
| Foreign currency translation | - | - | - | - | - | - | (338) | (338) |
| Balances at June 30, 2022 | 6,472 | \$ 65 | (1,315) | \$(6,371) | \$ 88,690 | \$(59,578) | \$ (535) | \$ 22,271 |

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
For the Six Months Ended June 30, 2022 and 2021
(In thousands)
(Unaudited)

| | Six Months Ended June 30, | |
|---|--------------------------------------|-------------|
| | 2022 | 2021 |
| Cash flows from operating activities: | | |
| Net income: | \$ 1,660 | \$ 3,342 |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities: | | |
| Amortization and depreciation | 106 | 509 |
| Share based payment expense | 110 | 4 |
| Gain on forgiveness of loan | - | (1,994) |

| | | |
|---|-----------------|-----------------|
| (Gain) loss on foreign exchange rates | (104) | 88 |
| Employee retention payroll tax credit | - | (35) |
| Deferred income taxes | 269 | 265 |
| Bad debt expense | 79 | 78 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (2,412) | (2,058) |
| Prepaid expenses and other current assets | (116) | (2) |
| Right of use assets-operating | 238 | 139 |
| Other assets | (227) | (16) |
| Due to models | 681 | 982 |
| Lease liabilities-operating | (240) | (166) |
| Deferred revenue | (535) | - |
| Accounts payable and accrued liabilities | 14 | 410 |
| Net cash (used in) provided by operating activities | <u>(477)</u> | <u>1,546</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | <u>(18)</u> | <u>(10)</u> |
| Net cash used in investing activities | <u>(18)</u> | <u>(10)</u> |
| Cash flows from financing activities: | | |
| Shareholder short swing profit disgorgement | - | 32 |
| Payments on finance leases | (33) | (49) |
| Repayment of term loan | <u>-</u> | <u>(93)</u> |
| Net cash used in financing activities | <u>(33)</u> | <u>(110)</u> |
| Foreign currency effect on cash flows: | <u>(412)</u> | <u>(3)</u> |
| Net change in cash and cash equivalents: | (940) | 1,423 |
| Cash and cash equivalents, beginning of period | 10,251 | 5,556 |
| Cash and cash equivalents, end of period | <u>\$ 9,311</u> | <u>\$ 6,979</u> |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for interest | \$ - | \$ 18 |
| Cash paid for income taxes | \$ 5 | \$ 5 |
| Noncash investing and financing activities | | |
| Gain on forgiveness of loan | \$ - | 1,994 |

Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA represent measures of financial performance that are not calculated and presented in accordance with U.S. generally accepted accounting principles (“non-GAAP financial measures”). The Company considers EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA to be important measures of performance because they:

- 1 are key operating metrics of the Company's business;
- 1 are used by management in its planning and budgeting processes and to monitor and evaluate its financial and operating results; and
- 1 provide stockholders and potential investors with a means to evaluate the Company's financial and operating results against other companies within the Company's industry.

The Company's calculation of non-GAAP financial measures may not be consistent with similar calculations by other companies in the Company's industry. The Company calculates EBITDA as net income plus interest expense, income tax expense, and depreciation and amortization expense. The Company calculates "Adjusted EBITDA" as EBITDA plus foreign exchange gain/loss, share-based payment expense and certain significant non-recurring items that the Company may include from time to time. For 2021, these non-recurring items represented gain on forgiveness of PPP loans and employee retention payroll tax credit. The Company calculates "Pre-Corporate EBITDA" as Adjusted EBITDA plus corporate overhead expense, which includes director compensation, securities laws compliance costs, audit and professional fees, and other public company costs.

Non-GAAP financial measures should not be considered as alternatives to net and operating income as an indicator of the Company's operating performance or cash flows from operating activities as a measure of liquidity or any other measure of performance derived in accordance with generally accepted accounting principles.

Form 10-Q Filing

Additional information concerning the Company's results of operations and financial position is included in the Company's Form 10-Q for the second quarter ended June 30, 2022 filed with the Securities and Exchange Commission on August 10, 2022.

Forward-Looking Statements

This press release contains certain "forward-looking" statements as such term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relating to the Company are based on the beliefs of the Company's management as well as information currently available to the Company's management. When used in this report, the words "anticipate," "believe," "estimate," "expect" and "intend" and words or phrases of similar import, as they relate to the Company or Company management, are intended to identify forward-looking statements. Such forward-looking statements include, in particular, projections about the Company's future results, statements about its plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. Additionally, statements concerning future matters such as gross billing levels, revenue levels, expense levels, and other statements regarding matters that are not historical are forward-looking statements. Management cautions that these forward-looking statements relate to future events or the Company's future financial performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance, or achievements of its business or its industry to be materially different from those expressed or implied by any forward-looking statements. Should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not undertake any obligation to publicly update these forward-looking statements. As a result, no person should place undue reliance on these forward-looking statements.

About Wilhelmina International, Inc. (www.wilhelmina.com):

Wilhelmina, together with its subsidiaries, is an international full-service fashion model and talent management service, specializing in the representation and management of leading models, celebrities, artists, photographers, athletes, and content creators. Established in 1967 by fashion model Wilhelmina Cooper, Wilhelmina is one of the oldest and largest fashion model management companies in the world. Wilhelmina is publicly traded on Nasdaq under the symbol WHLM. Wilhelmina is headquartered in New York and, since its founding, has grown to include operations in Los Angeles, Miami, and London. Wilhelmina also owns Aperture, a talent agency located in New York and Los Angeles. For more information, please visit www.wilhelmina.com and follow @WilhelminaModels.

CONTACT: Investor Relations
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ir@wilhelmina.com